

Message Text

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PAGE 01 PORT L 00498 071120Z

ACTION TRSE-00

INFO OCT-01 AF-10 ISO-00 L-03 IO-13 NSC-05 AID-05

CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00

USIA-06 XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 OMB-01

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FM AMEMBASSY PORT LOUIS

TO SECSTATE WASHDC PRIORITY 6696

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FROM US DELEGATION AFRICAN DEVELOPMENT BANK/FUND MEETING

E.O. 11652: N/A

TAGS: EFIN EAID AF AFDB AFDF

SUBJECT: AFRICAN DEVELOPMENT BANK- AFRICAN DEVELOPMENT FUND
JOINT ANNUAL MEETING - KEYNOTE ADDRESSES OF MAY 2.

SUMMARY: PRIME MINISTER OF MAURITIUS RAMGOOLAM GAVE LOW KEY
RELATIVELY MODERATE TONED ADDRESS. PRESIDENT OF AFDB - AFDF
KWAME FORDWOR GAVE SPEECH OUTLINING 5 YEAR PLAN FOR BANK.
U.S. APPOINTED TO STEERING COMMITTEE BOARD OF GOVERNORS FOR THE
AFDF AND RECEIVED WELCOME FROM FUND MANAGEMENT NOTING ENTRY INTO
THE FUND AS A FULL MEMBER. FRANCE STATED INTENTION TO ACCEDE
TO FUND.

HIGHLIGHTS.

1. PM RAMGOOLAM OPENING ADDRESS:
-- SPOKE AGAINST PROLIFERATION OF DEVELOPMENT INSTITUTIONS AND
ENDORSED AFDB-AFDF AS KEY AFRICAN DEVELOPMENT INSTITUTION.
--MADE REFERENCES TO NECESSITY FOR COMMODITY AGREEMENTS TO
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PAGE 02 PORT L 00498 071120Z

STABILIZE PRICES. SAID THAT IN LONG RUN AID NOT THE ANSWER BUT
ELIMINATION OF PRICE FLUCTUATION AND FAIR PRICES.
-- CITED ARAB-AFRICAN CONFERENCE (CAIRO CONFERENCE) AND
EXPRESSED HOPE THAT MOST OF \$1 BILLION WOULD BE DIRECTED TO AFDB
(FYI LATER SPEAKERS COMPLAINED HOW LITTLE OF CAIRO \$1-1.5
BILLION SEEMED TO BE EARMARKED FOR AFDB).

2. U.S. APPOINTMENT TO AFDF BOARD OF GOVERNORS STEERING COMMITTEE.
BASED ON ROTATIONAL ORDER, THIS YEARS' BOARD OF GOVERNORS
RECOMMENDED U.S. BE SEATED ON STEERING COMMITTEE FOR NEXT YEAR.
COMMITTEE CONSIDERS WHICH RESOLUTIONS WILL COME UP AT NEXT
ANNUAL MEETING.

3. U.S. MEMBERSHIP TO THE FUND. CHAIRMAN (RINGADOO) WARMLY
WELCOMED ON BEHALF OF FUND MEMBERSHIP THE U.S. AS A NEW FULL-
FLEDGED MEMBER.

4. FRENCH INDICATED INTENTION TO ACCEDE TO FUND BEFORE END OF
YEAR WITH INITIAL SUBSCRIPTION OF UP TO \$11 MILION STRETCHED
OVER THREE YEARS. GOVERNORS PASSED RESOLUTION AUTHORIZING
FRENCH PARTICIPATION IN FUND.

5. SPEECH OF KWAME FORDWOR - PRESIDENT OF AFDB-AFDF:
--EXPRESSED SATISFACTION TO U.S. FOR BECOMING MEMBER OF FUND.
--CITED OTHER DONOR ASSISTANCE, PARTICULARLY NIGERIA'S
SUPPORT OF THE BANK.
--DISCUSSED AND ENCOURAGED "REGIONAL BRAIN CHILDS" OF BANK
AND FUND INCLUDING REINSURANCE CORPORATION. ALSO PLUGGED
ECOWAS.
-- SUGGESTED THAT ALL MEMBER BANK FUND MEMBERS CONSIDER
FURNISHING DISTINCTIVE NATIONAL GIFTS WHICH WOULD SERVE EITHER
A FUNCTIONAL OR DECORATIVE PURPOSE IN THE HEADQUARTERS
BUILDING SCHEDULED FOR COMPLETION IN AUGUST 1978.
-- PROPOSED CREATION OF "A CREER SERVICE SYSTEM" FOR BANK-FUND
GROUP AS NECESSARY TO STEM "BRAIN DRAIN" OF TALENTED AFRICANS
FROM BANK AND FUND TO MORE LUCRATIVE AND SECURE POSITIONS.
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PAGE 03 PORT L 00498 071120Z

FIVE YEAR PLAN FOR AFDB

-- SAYING THAT BANK LENDING PROGRAM HAD CREATED A "CLIMATE OF
EXPECTATIONS," FORDWOR ADVANCED TARGETS FOR A FIVE YEAR PROGRAM:
(A) LENDING LEVEL OVER NEXT 5 YEARS TO EQUAL ONE BILLION
BANK UNITS OF ACCOUNT (BUA EQUALS \$1.21).
(B) AGRICULTURAL SECTOR TO RECEIVE 33 PERCENT OF RESOURCES.
(C) STRESSED UTILITY OF BLENDING AFDB AND AFDF.

-- TO ACHIEVE THIS LENDING TARGET FORDWOR POINTED OUT THAT
25 PERCENT INCREASE ANNUALLY IN COMMITMENTS OF BANK WOULD BE RE-
QUIRED. TO ATTAIN GOALS FORDWOR SAID BANK MEMBERSHIP MUST MAINTAIN
ITS "FLEXIBILITY." (FYI THIS WAS THINLY VEILED OPENING SALVO ON
DOMINANT ISSUE OF NON-REGIONAL BANK MEMBERSHIP QUESTION, SEE
SEPTEL.) FORDWOR ADDED THAT AFDB'S AUTHORIZED INCREASE IN
CAPITAL WAS UNDER-SUBSCRIBED AND THAT BANK HAD "SCRAPED THE
BOTTOM OF THE BARREL."
--CRITICIZED CAIRO CONFERENCE OUTCOME. OPEC "NOT AS POSITIVE

AS WE HAD WISHED" BUT WAS A STEP IN RIGHT DIRECTION. CITED
"LUSAKA RESOLUTION" OF \$2 BILLION THAT AFDB HAD PUSHED AS
WHAT WAS REALLY NEEDED. SAID HE TRUSTED THAT "SPIRIT OF CAIRO
DECLARATION" WILL BE CONVERTED (INTO COLD CASH) AND THEREBY
REFUTE THE "SKEPTICS." ALSO MADE COMMENT THAT IF ENERGY
CONSUMPTION BY AFRICA CONTINUES AT PRESENT RATE MANY AFRICAN
COUNTRIES "WILL GO BROKE."
--ASKED FOR CONCESSIONAL LOANS TO AFDB FROM DEVELOPED AND
OPEC COUNTRIES.
--CONCLUDED WITH GENERAL "VISION FOR AFRICA" WHICH WOULD LIFT
STANDARD OF LIVING AND "LONG LIVE NIGERIA TRUST
LONG LIVE THE AFRICAN DEVELOPMENT BANK AND
LONG LIVE THE AFRICAN DEVELOPMENT FUND."

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